

Commenter is a small, independent broadcaster who beginning in 1985 has built an AM and six FM stations from the application stage into strong community service radio stations that are valued in their local communities and service areas, recognized in the industry beyond their local service areas, and sustainable as the viable broadcast business enterprises that a commercial licensee must be to survive.

BACKGROUND

Diminished apparent localism in the wake of consolidation is the reason why these initiatives are even being considered. And consolidation took place because corporate interests and the NAB were effective at lobbying Congress and the FCC to remove most ownership limits.

Part of the argument at the time was that the addition of many new 80-90 drop-ins had rendered the majority of radio stations unprofitable, and thus unsustainable as public service providers.

Conveniently not shared by corporate lobbyists was the fact that the use of inexpensive desktop computers to automate radio stations was proliferating by the mid-1990s. This commenter was astonished when at an NAB Convention FCC breakfast, an FCC Commissioner stated that s/he had not realized that computer automation meant that the removal of ownership limits had not been necessary in order for the many fledgling stations to attain profitability, as s/he had been led to believe. This commenter then noted that had consolidation not taken place, the airwaves today would be filled with interesting, quirky, compelling, unique local formats that today have all but disappeared except in small markets. Indeed, automation might be employed in most cases, but much greater percentage of all stations would be owned and programmed locally, as opposed to the present state of the radio industry. There is a qualitative issue here regarding programming localism and quality that can be restored by reestablishing modest nationwide ownership limits.

Large publicly held corporate owners have a fiduciary responsibility to their shareholders to do everything legally possible to maximize shareholder value. Their responsibilities to their listeners are considerably easier to meet, and do not require them to broadcasting much meaningful and locally responsive programming at all.

Creativity, the life blood of interesting local radio and thus a qualitative element, is anathema to the conglomerate licensees. The American public has thereby lost out under consolidation. This was not the case before consolidation, when a licensee was limited in the number of stations it could own.

Further, the auctioning of frequencies to the highest bidder has placed newer licensees in a position where they have little choice but to minimize expenses (including investment in community service programming) and maximize revenue using automation, voice-tracking, and low-risk, lowest common denominator formats. The Commission should work with Congress to enable smaller local owners to re-enter the radio marketplace.

The wise course to achieve the desired end of more locally responsive radio stations is for the Commission to work through its Congressional liaison to undo certain of the provisions of the Telecommunications Act of 1996.

COMMENTS ON PROPOSED NEW RULES

These comments will address the plusses and minuses from the perspective of this licensee's operations.

It has been said that "you can't legislate honesty." Nor can the Commission force true localism. If passed as proposed, the initiatives being considered would be counterproductive to the public interest and severely damaging to the health of our stations and their ability to locally serve the public interest.

Our independent small market rural stations never lost local focus or community service orientation. If the proposed localism initiatives are indiscriminately imposed on all stations, our small, hard-working staffs will be forced to cut back on the many public service projects we already undertake in order to redirect their energies to unnecessary and redundant meetings, redeploy funds to pay overnight "babysitters" and utterly disruptive studio/office moves, and meet other requirements that are meaningless in the context of our operations, our community relationships, and our long-standing extant localism. We might also choose to sign off overnight instead of hiring "babysitters."

1. Management and staff at our stations, in addition to serving on the boards of local organizations, are in constant touch with numerous community leaders and spokespersons. There is no need for special meetings and advisory boards because meetings by management and staff with community leaders take place informally on a regular basis. These people are regular guests who participate in open-ended discussions of community issues broadcast during live prime time morning shows. We believe that this kind of programming rises to the highest standard of community service by a broadcast licensee. Further, we consider these broadcasts to be appropriate programming that involves our stations more deeply in the lives of area residents, makes the stations more important in their communities, and from the perspective of a commercial licensee, enhances our ability to sell effective advertising.

2. As a general comment, the Commission's rules have made commercial viability incumbent on, and critical to, the survival of every commercial licensee. Yet we would observe (as illustrated by the "FCC breakfast" anecdote above) that the Commission has operated in a vacuum, oblivious to the realities of commercially operated radio stations.

3. The localism proceeding appears to take an omnibus approach to solving the problem of meaningful local community service and accountability by Commission licensees. This commenter believes that the proposed rules may be appropriate to impose in some form on conglomerate licensees who own hundreds or thousands of stations. However, in order not to harm smaller, independently-owned stations and small group stations such as ours, and in order to avoid severely damaging and setting back the existing meaningful local community services they presently provide, a more surgically precise targeting of the proposed reforms is necessary.

4. Most independently owned and small group stations, such as those licensed to this commenter, already meet the spirit of localism and rise at least as high as the proposed localism standard. An indiscriminate approach that catches licensees like us in the same net as major group owners will not solve the problem of disappearing localism created by the Telecommunications Act. The problem is primarily limited to large group owned stations whose requisite corporate agenda is at odds with localism.

5. Requiring every station, even small rural stations such as we operate, to relocate studios to the community of license will not solve the problem of lack of local community contact. We do not limit our service to our tiny communities of license, nor would it be in the public interest for us to do so. Such a requirement thus represents an enormous step backward in an misdirected attempt to help solve a problem created not by the present Main Studio rule, but rather, by the wholesale consolidation of radio stations under distant corporate licensees. Requiring small stations to move would necessitate a complete studio and office rebuild in many cases. The imposition by the Commission of such a financial burden and disruption to the operations of every station is unwarranted. In cases where a main studio is located outside the community of license, such a burden would severely set back existing community service efforts.

6. Requiring stations to be attended 24 hours a day is unjustified. As with studio relocation, such a requirement should be surgically targeted to where the problem exists and where it would make a difference. A prudent approach might be to require group operators to staff multiple-station groups in sizable markets. Primary EAS stations might also be included under this requirement. However the burden created by such an additional new staffing requirement, when imposed on small independent and small group stations in small markets and rural areas, would detract significantly from already thin financial resources presently employed to fund staff involved in day to day community service. A major new staffing expense would be added to cover an eventuality that may occur rarely or never. However, many important community services provided by experienced staff on a daily basis would be sacrificed if limited funds must be redeployed to fund inexperienced new staff to “babysit” small stations in small markets and rural areas in the evening and middle of the night. Such a requirement would thus do far more harm than good when viewed from the perspective of community service and localism.

7. The above requirement would both compel small rural broadcasters to incur the financial burden of major new expenses just we are entering an economic climate that has been variously described as “a slowdown,” “a full-blown recession,” and “a forever sea change in the economic expectations of small business.” They would be disastrous because they would upset the careful balance of staff time and resource deployment we have attained in our small rural markets to enable us to “super-serve” our communities, sound competitive, and sell enough advertising to sustain economic viability. We suspect that the Commission has no idea and little appreciation for what is involved in attaining such balance.

8. The proposed rules, if any must be surgically directed where they will have a positive impact, not applied to all stations with a blunt instrument. There must be an exempt class of stations, such as those not publicly held, or those licensed to groups with fewer than 12 stations in each service.

It is time for the Commission to emerge from isolation and understand the realities faced by small rural broadcasters every pay period. By implementing the Telecommunications Act of 1996, Congress and the Commission were responsive to the economic arguments of broadcasters. So must they be now. We invite any Commissioner out to visit our stations and talk to our staffs. The imposition of these burdensome rules would hamstring us. It would drown the baby in the bath water. It would force many stations to curtail operations and hours of operation, and force marginal stations other to sell or go dark. That will not enhance localism in our small rural areas and in small markets generally. Diabolically, the effect will be the exact opposite.

Respectfully submitted,

Dennis Jackson